

PROCLAMATION

BY THE

Governor of the State of Texas

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Rick Perry, Governor of Texas, do hereby disapprove of and veto House Bill No. 3281 as passed by the Eightieth Texas Legislature, Regular Session, because of the following objections:

House Bill No. 3281 would reverse Texas' sweeping lawsuit reforms passed in 2003 that reasonably limited the amount of medical bills a plaintiff could recover to the amount actually paid or incurred by the individual or their insurer.

This bill would permit an individual in a personal injury lawsuit (other than a medical malpractice claim) to recover more money for medical expenses than actually was or will be paid. This would be done by allowing a person to submit bills that are higher than those actually paid to health care providers. For example, if this bill became law, an individual who was billed \$20,000 by a hospital, but whose insurance company negotiated the bill down to an actual amount paid of \$12,000, could still submit the original \$20,000 bill to the jury as if their insurance company actually paid that amount. This would deceive the jury as to the true amount of actual medical damages.

Our civil justice system holds a defendant accountable for economic damages caused, including medical bills. A person should not be allowed to recover, and a defendant should not be required to pay, an inflated amount of actual medical costs. If a defendant has caused damage in addition to medical expenses, those damages should be addressed and recovered under the rules of our civil justice system, rather than inflating medical bills to cover them.

Proponents of this bill argue it would reverse the "collateral source" rule, which prevents defendants from introducing evidence that an insurance company, rather than the individual, paid all or a portion of the medical bills. This is not true. Nothing in Section 41.0105 of the Civil Practice and Remedies Code allows a defendant to introduce this evidence or hinders an individual's ability to recover the amount of the medical bills paid by their insurance company.

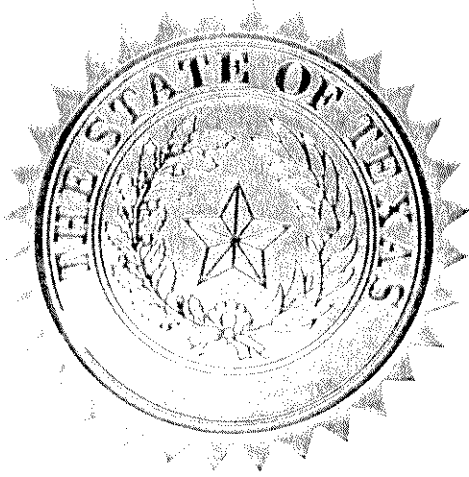
The purpose of damages in a civil lawsuit is to make an injured individual whole by reimbursing the actual amount they have been deprived by the defendant's actions. It should not be used to artificially inflate the recovery amount by claiming economic damages that were never paid and never required to be paid.

The bill contains a second provision, which correctly restates that Texas' tort reform law does not prevent a person in a lawsuit from recovering damages for future medical bills caused by their injury. On its own, this provision would have been acceptable.

Since the Legislature by its adjournment has prevented the return of this bill, I am filing these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
O'CLOCK

JUN 15 2007



IN TESTIMONY WHEREOF, I
have signed my name officially
and caused the Seal of the State to
be affixed hereto at Austin, this
15th day of June, 2007.

RICK PERRY

RICK PERRY
Governor of Texas

ATTESTED BY:

Roger Williams

ROGER WILLIAMS
Secretary of State

FILED IN THE OFFICE OF THE
SECRETARY OF STATE

O'CLOCK

JUN 15 2007